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ACTION EAP-00

INFO LOG-00 NP-00 AID-00 CEA-01 CIAE-00 COME-00 CTME-00
INL-00 DODE-00 DOEE-00 PERC-00 DS-00 EB-00 EXIM-01
E-00 VC-00 FRB-00 H-00 TEDE-00 INR-00 ITC-01
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FM AMEMBASSY HANOI
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SIPDIS

NSC FOR SENIOR DIRECTOR MICHAEL GREEN, DOD FOR OSD/ISA/AP
LEW STERN

E.O. 12958: DECL: 01/28/2020
TAGS: [PREL](#) [ETRD](#) [ENRG](#) [VM](#) [CVR](#)
SUBJECT: (C) CHINESE MISSTEPS IN VIETNAM ARE A U.S.
OPPORTUNITY

REF: A. IIR 6 950 0016 05
[B](#). BEIJING 1504
[C](#). 04 HANOI 2745
[D](#). 04 HANOI 2857
[E](#). HANOI 0042
[F](#). 04 HANOIQ42

Classified By: Ambassador Michael W. Marine, reason 1.5 (B) and (D)

[1](#)1. (C) Summary: A series of low-grade conflicts in the Gulf of Tonkin and the Spratly Islands since the summer of 2004 that have received significant media attention in Vietnam has corroded Vietnam-China relations. In all of these incidents, Vietnamese press reports have depicted China as a "bullying older brother." The China-Vietnam relationship has historically had its ups and downs, and, the October 2004 visit of Premier Wen Jiabao notwithstanding, we are currently in a "down" period. The upcoming visit of NSC Sr. Director for Asian Affairs Green is well-timed to remind the GVN leadership of the benefits of a healthy relationship with the United States and of the utility of a continued strong U.S. presence in Southeast Asia. End Summary.

ARMED CLASH WITH CHINESE SEA POLICE KILLS NINE FISHERMEN

[1](#)2. (C) The most recent problematic incident between China and Vietnam occurred January 8 just south of an island roughly halfway between Hainan Island and the Vietnamese port city of Haiphong. While the precipitating factors of the incident are in dispute, the outcome is not: Chinese Maritime Police fired on Vietnamese vessels, killing nine Vietnamese fishermen, wounding "many" and arresting eight others. The Chinese claim the Vietnamese were pirates, and, in conversations with DAO, cited "multiple" previous incidents where the Vietnamese boats robbed Chinese fishermen in the vicinity (ref A). The Chinese military attache also said that the Vietnamese "fishermen" were carrying automatic weapons and were trained in how to use them. Other Vietnamese interlocutors have told us that ramblings and other incidents between Chinese and Vietnamese are a frequent occurrence in that section of the Gulf of Tonkin, which was only recently opened up to joint fishing as a result of the signing of a demarcation agreement in June 2004. However, the January 8 incident was unique in its level of violence.

[1](#)3. (U) Following the incident, the Chinese and Vietnamese exchanged diplomatic notes protesting the other side's actions in the clash. The GVN used unusually harsh language to criticize the Chinese side, saying in a public statement that "Chinese on-duty vessels opened fire, killing and injuring many Vietnamese fishermen in the western side of the delimitation line of Tonkin Gulf in the common fishing area, violating the Tonkin Gulf Delimitation Agreement and the Vietnam-China Fishery Cooperation Agreement." An MFA spokesman raised the temperature further in a press event January 16, saying "those Vietnamese attacked, killed, injured and captured by the Chinese naval patrol police are honest fishermen, who were fishing in the western side of the Tonkin Gulf delimitation line in the common fishing area. . . . The use of weapons by Chinese naval patrol police to kill innocent Vietnamese is a serious violation of international laws, the Agreement on the Delimitation of the Tonkin Gulf, the Vietnam-China Fishery Cooperation Agreement and agreements by high-level leaders of the two countries,

hurting the friendship between peoples of the two countries."

14. (C) The spokesman went on to demand an investigation of the incident, punishment for the guilty, compensation for the families of those killed and the immediate release of the detained fishermen, followed by a meeting of the Joint Commission on Fishery Cooperation in the Tonkin Gulf to discuss measures to stabilize the situation. According to the MFA's China Desk, as of January 27, neither party had been able to "coordinate scheduling" and so a meeting of the Commission has not yet been set. Embassy contacts in the press and in the GVN characterized the Chinese actions (and subsequent response) as "bullying" behavior, though the Vietnamese and Chinese governments have been careful to say that the incident will not affect relations (ref B).

CHINA HUMILIATES VIETNAM WITH DEPLOYMENT OF DRILLING RIG

14. (C) The fishing incident came on the heels of another diplomatic confrontation November 19 between China and Vietnam over the Chinese deployment of the Kantan 3 oil drilling platform in the same area. The GVN claims that the platform was located at Latitude 17 degrees 26 minutes 42 seconds North and Longitude 108 degrees 19 minutes 05 seconds

East, which would put it 63 miles from the Vietnamese coast and 67 miles from the Hainan coast, on the Vietnamese side of the Gulf of Tonkin demarcation line. The GVN publicly called on China to desist, stating "this area lies entirely within the Exclusive Economic Zone and continental shelf of Vietnam. That China puts its oil drilling rig into operation in this area is a serious violation against the sovereign rights and national jurisdiction of Vietnam." According to the China Studies Institute, a think tank in Hanoi, the Chinese withdrew the Kantan 3 to the Chinese side of the Gulf "only after it had finished its work."

CHINA-RP OIL DEAL IN SPRATLYS ANGERS VIETNAM

15. (C) Two months prior to the Kantan 3 incident, Vietnam reacted angrily to the announcement by the Chinese and Philippine governments that they had signed an agreement to do joint research on oil exploration in the Spratly Islands. China invited Vietnam to participate in the research, but Vietnam refused, saying that to participate would violate the Declaration of Conduct in the South China Sea. Vice Foreign Minister Nguyen Phu Binh told the Ambassador that Vietnam did not want to be seen "making side deals" on the Spratly Islands when all parties were supposed to be committed to a solution that involved all claimants. The issue came up in the October 2004 meeting between Vietnamese PM Phan Van Khai and Chinese Premier Wen Jiabao on the margins of the ASEM 5 summit in Hanoi (ref D). Khai asked Wen to commit to China's not implementing the project. Wen refused with the bland reply that that China's joint exploration agreement with the Philippines does not contravene the Declaration of Conduct and "does not affect the national interests of Vietnam."

WEN VISIT: CHINA EXTRACTS WTO PROMISES, GIVES NONE IN RETURN

16. (C) Among Vietnam's most pressing priorities at the moment is its accession to the WTO, and this was at the top of the agenda during Wen's October visit (refs C and D). China limited its endorsement of this initiative, saying only that China "supported" Vietnam's WTO bid. Even this tepid statement was expensive for the Vietnamese: they had to agree to a side protocol with China, promising not to exercise WTO provisions regarding anti-dumping, anti-subsidy and safeguards on textile imports from China, according to the Chinese Embassy in Hanoi. The Vietnamese had hoped that the Wen visit would be the catalyst for China to set a target deadline for the conclusion of WTO talks, but were disappointed. The GVN also failed to extract a commitment from China to eliminate non-tariff barriers to trade at the provincial level, barriers that the GVN believes block Vietnamese agricultural exports and exacerbate Vietnam's trade deficit with China, the China Institute said. In addition to advancing its trade priorities, Vietnam had hoped to schedule a visit to Vietnam of new Chinese President Hu Jintao, but Premier Wen did not promise a Hu visit, much less commit to a date.

VIETNAM RELUCTANT TO CHALLENGE DIRECTLY

17. (C) Despite what Vietnam feels is China's "bullying" attitude and the series of bilateral setbacks, Vietnam remains unwilling to challenge Chinese interests directly. The issue of the East Asia Summit makes this clear. Vietnam does not support the East Asia Summit (EAS) or the East Asia Community at this time, believing that it is an effort by China to remold the ASEAN 3 mechanism without the solidarity

of ASEAN (refs E and F). According to the Singapore Embassy here, the Vietnamese had intended to join Indonesia in recommending "further study" for the EAS concept when it came up for discussion at the November 2004 ASEAN summit in Vientiane, in effect killing it for at least another year. When the Indonesians unexpectedly changed their position, Vietnam also dropped its opposition. "Vientiane is friendly territory for the Chinese," the Singaporeans said, "and Vietnam remains afraid of China,s reaction if it were to lead an effort to thwart one of China,s diplomatic priorities." According to Vice Foreign Minister Le Van Bang, in a recent conversation with American scholars, "it only took the Chinese one day" to change the Indonesians' position.

COMMENT

18. (C) We hear regularly from senior MFA officials that the United States should do more to "counter" China,s efforts to "dominate" Southeast Asia (they are particularly agitated

over U.S. actions against Burma, which they feel is giving China a free pass into ASEAN), but it is not clear to what degree the MFA view is shared among the members of the Politburo and in the Prime Minister,s office. Some, including Communist Party General Secretary Nong Duc Manh, believe that the interests of Vietnam and the Party are better served by staying close to China at the United States, expense. Ultimately, of course, Vietnam values its independence and freedom of action more than any linkage or alliance. For this reason, the recent string of incidents, combined with the arrogant and dismissive Chinese responses, creates a window in which the GVN (and possibly the leadership of the Communist Party of Vietnam) will be more receptive than usual to our suggestions that, strategically, it is in Vietnam,s interest to support a continuing, dynamic role for the United States in Southeast Asia. As we begin preparing the groundwork for the possible visit of Prime Minister Phan Van Khai to Washington in mid-2005, including the related trip by NSC Senior Director for Asian Affairs Green next week to meet with Deputy Prime Minister Vu Khoan and senior officials from the Office of the Government and the External Relations Commission of the Central Committee of the Communist Party (as well as the MFA), we will be in a position to push this agenda item.

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